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Chapter 9 Counsel for Tulare Local Healthcare District

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE
REGIONAL MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897
Address: 869 N. Cherry Street
Tulare, CA 93274

CASE NO. 17-13797

DC No.: WW-68

Chapter 9

Date: January 17, 2019
Time: 9:30 a.m.
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

**TENTH OMNIBUS MOTION FOR ORDER AUTHORIZING REJECTION OF
CERTAIN EXECUTORY CONTRACTS**

TO THE HONORABLE RENÉ LASTRETO II, UNITED STATES BANKRUPTCY JUDGE:

Debtor, Tulare Local Healthcare District, doing business as Tulare Regional
Medical Center ("Debtor" or the "District") hereby moves the Court, pursuant to 11 U.S.C.

1 §§ 901, 365, and F.R.B.P. 6006(f), for entry of an order authorizing the District to reject
2 certain executory contracts¹ ("Designated Contracts") as follows:

3 1. This Motion is based on the Motion, the Exhibits, the Notice, and the
4 Declaration of Sanford Haskins in Support of the Motion.

5 2. A list of the Designated Contracts is attached hereto as Exhibit "A" and
6 specifies the following information as to each of the Designated Contracts: (1) contract
7 party, and (2) a description of the subject contract.

8 3. Sections 901 and 365(a) allow for the rejection of any executory
9 contract subject to court approval. F.R.B.P. 6006 further allows for omnibus rejection of
10 contracts, provided that, among other things, the list of contracts to be rejected is limited
11 to no more than 100 contracts per motion. F.R.B.P. 6006(f).

12 4. The standard for reviewing whether a contract should be assumed or
13 rejected is one of business judgment. Group of Institutional Investors v. Chicago,
14 Milwaukee, St. Paul and Pacific R.R. Co., 318 U.S. 523, 550 (1943). In applying the
15 "business judgment standard, courts show great deference to a debtor's decision to
16 assume [or reject] executory contracts, with only a cursory review of [the debtor's]
17 decision...." In re Pomona Valley Medical Group, Inc., 476 F.3d 665, 670 (9th Cir. 2007).
18 As long as the decision to assume or reject such contracts is a reasonable exercise of
19 business judgment, a court should approve the assumption or rejection of an executory
20 contract. See e.g. NLRB v. Bildisco & Bildisco, 465 U.S. 513, 523 (1984).

21 5. The District has determined that the Designated Contracts are no longer
22 needed or desired. See Declaration of Sanford Haskins. Accordingly, based on its sound
23 business judgment, the District hereby seeks authority to reject the Designated
24 Contracts.

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27 ¹ While the District recognizes that the contracts sought to be rejected may not constitute "executory contracts" within
28 the meaning of 11 U.S.C. § 365, the District wishes to reject these contracts nonetheless out of an abundance of
caution and for the avoidance of any doubt.

1 6. Rejection of the Designated Contracts is essential to Debtor's successful
2 reorganization because the Designated Contracts provide no ongoing benefit to Debtor.
3 If Debtor were to continue performance under the Designated Contracts and their
4 unfavorable terms Debtor's reorganization would be harmed.

5 7. Based on the foregoing, Debtor has satisfied the requirements of 11 U.S.C.
6 § 365 and F.R.B.P. 6006(f). Therefore, the Court is requested to issue an order
7 authorizing the rejection of the Designated Contracts.

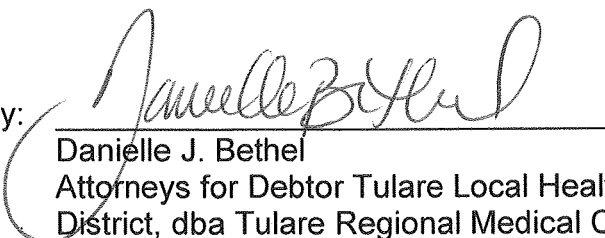
8 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

9 (1) Authorizing the rejection of the Designated Contracts; (2) fixing the date by
10 which any claims based on this Motion must be filed; and (3) grant such other relief as
11 is just and proper.

12 Dated: December 21, 2018

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15 By:


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District, dba Tulare Regional Medical Center